



Benefits from CAFTA-DR

New Hampshire

U.S. DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
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New Hampshire's export shipments of merchandise—manufactures and non-manufactures—to the CAFTA-DR region (Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua) totaled \$23 million in 2004. New Hampshire's 71 percent increase in exports to CAFTA-DR countries from 2003 to 2004 was the sixth-largest among the 50 states.

From 2000 to 2004 New Hampshire's exports to the CAFTA-DR nations grew by \$3.6 million (18 percent), outpacing the 16 percent gain in total U.S. exports to the region. Individually, a number of the CAFTA-DR markets are significant trading partners of New Hampshire. In 2004, the Dominican Republic alone imported merchandise from New Hampshire totaling \$18 million and was the state's 22nd-largest market.

CAFTA-DR Provides Enhanced Market Access to the Dominican Republic and Central America Across All Sectors

CAFTA-DR will boost opportunities for New Hampshire's exporters throughout the region, providing new market access for the state's products. More than 80

percent of U.S. exports of consumer and industrial products to Central America and the Dominican Republic will be duty-free immediately upon entry into force of the agreement, with remaining tariffs phased out over 10 years. Key U.S. exports, such as information technology products, agricultural and construction equipment, paper products, chemicals, and medical and scientific equipment, will gain immediate duty-free access to Central America and the Dominican Republic.

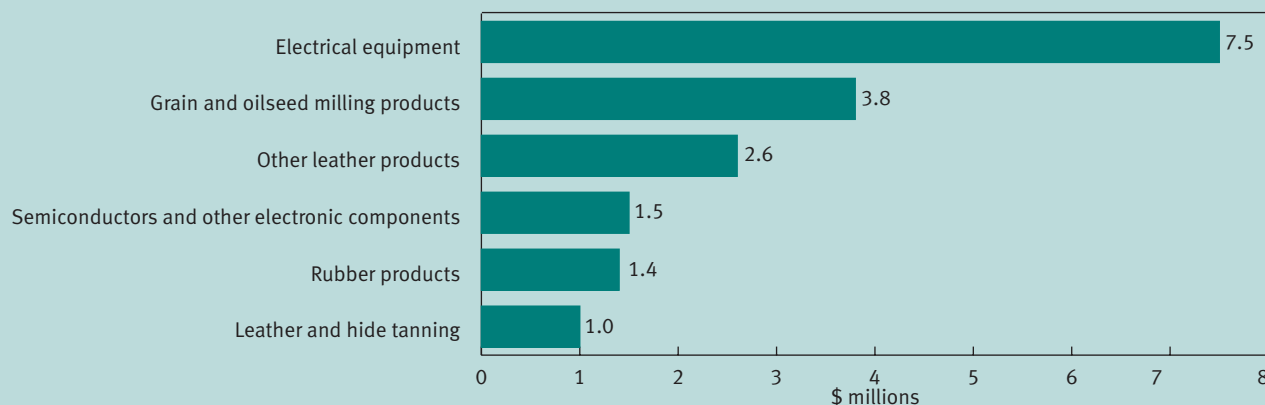
CAFTA-DR Moves the Trading Relationship from One-way Preferences to Reciprocity

For 20 years, most Central American and Dominican Republic exports to the United States benefited from duty-free treatment, primarily as a result of the Caribbean Basin Initiative (CBI). Currently about 80 percent of the region's exports enter the United States duty-free, while U.S. goods exported to the CAFTA-DR countries face significant tariffs.

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New Hampshire Exported \$22.5 Million Worth of Manufactured Goods to the CAFTA-DR Region in 2004

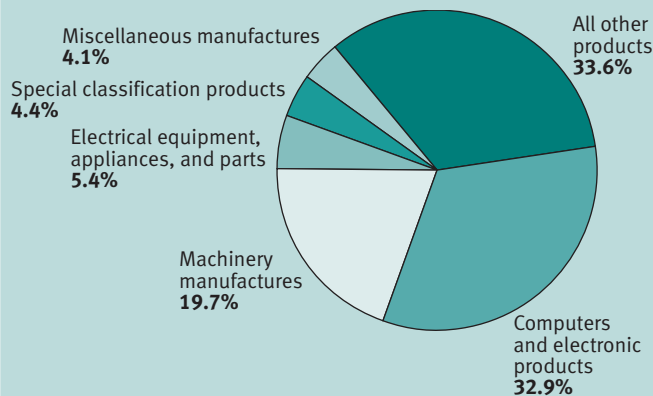
Electrical Equipment Dominates



Source: U.S. Department of Commerce.

New Hampshire Exported \$2.3 Billion in Goods to the World in 2004

Computers and Electronic Products Lead



Source: U.S. Department of Commerce.

CAFTA-DR Opens Markets for Key New Hampshire Industries

Manufactured goods accounted for 98 percent of New Hampshire's total merchandise exports to the CAFTA-DR region in 2004.

Electrical equipment. New Hampshire's top manufactured export category to the CAFTA-DR group is electrical equipment. In 2004, the state exported electrical equipment to the CAFTA-DR region valued at \$7.5 million. CAFTA-DR tariff elimination provisions will make U.S. electrical equipment more competitive in Central America and the Dominican Republic.

Grain and oilseed milling products. The 2000 to 2004 dollar gains in New Hampshire's manufactured exports to the CAFTA-DR region were partly due to grain and oilseed milling products (up \$3.8 million). The CAFTA-DR agreement, when implemented, will stimulate new opportunities for U.S. businesses in the processed foods sector. Demand in Central America and the Dominican Republic for imported processed foods products has been expanding substantially in recent years, despite high tariffs. U.S. suppliers of processed food will benefit from CAFTA-DR tariff elimination provisions.

Semiconductors and other electronic components. CAFTA-DR improves market access for information technology goods and service. One hundred percent of exports of products covered by the Information Technology Agreement, including important New Hampshire exports of semiconductors and electronic components, will receive duty-free treatment immediately upon implementation of the CAFTA-DR agreement. In 2004, New Hampshire exporters shipped semiconductors and other electronic components valued at \$1.5 million to the CAFTA-DR region.

Leather products. Miscellaneous leather goods accounted for \$2.6 million in exports from New Hampshire to the CAFTA-DR countries. Nearly two-thirds of U.S. exports of miscellaneous leather goods will receive duty-free treatment either immediately upon implementation or in year five. The remaining tariffs will be eliminated over ten years.

The Central American–Dominican Republic Free Trade Agreement (CAFTA-DR) group consists of Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua.

All state export data in this report are based on the Origin of Movement (OM) series. This series allocates exports to states based on transportation origin—i.e., the state from which goods began their journey to the port (or other point) of exit from the United States. The transportation origin of exports is not always the same as the location where the goods were produced. Thus conclusions about “export production” in a state should not be made solely on the basis of the OM state export figures.

Source: Bureau of the Census, U.S. Department of Commerce, Origin of Movement series.

Prepared by the International Trade Administration, U.S. Department of Commerce.